



Philanthropy  
Fund

## **Goldman Sachs Philanthropy Fund Program Circular**

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## Overview

This program circular answers some commonly asked questions about the Goldman Sachs Philanthropy Fund and details key policies, procedures and benefits associated with creating and sustaining an account with the Goldman Sachs Philanthropy Fund.

The Goldman Sachs Philanthropy Fund is a public charity established to encourage and promote philanthropy and charitable giving across the United States by receiving charitable contributions, by providing support and assistance to encourage charitable giving, and by making grants to other public charities and educational institutions. To foster ongoing donor involvement, donors can recommend that their irrevocable contributions to the Goldman Sachs Philanthropy Fund be allocated to specified investment options until such time as those funds are distributed by the Goldman Sachs Philanthropy Fund. For those that do not wish to be involved in an advisory role, the Goldman Sachs Philanthropy Fund maintains a Directors' Philanthropy Fund.

All activities of the Goldman Sachs Philanthropy Fund and donor involvement in the program are subject to the terms and conditions of the Goldman Sachs Philanthropy Fund's By-Laws, Certificate of Incorporation, Investment Policy Statement, other internal guidelines and this Program Circular. The Directors of the Goldman Sachs Philanthropy Fund reserve the right to modify the guidelines and policies of the Goldman Sachs Philanthropy Fund, subject to the provisions of the By-Laws. A copy of the By-Laws is available upon request.

## General Questions

### **What is the Goldman Sachs Philanthropy Fund?**

The Goldman Sachs Philanthropy Fund is a public charity<sup>\*</sup> that includes a donor-advised fund vehicle. This structure permits individuals with charitable intent (“donors”) to contribute to a charitable organization on a tax-deductible basis, to enjoy the philanthropic rewards of charity in an advisory capacity, and to keep personal administrative responsibility to a minimum. The donor establishes a donor-advised account within the Goldman Sachs Philanthropy Fund and makes an irrevocable gift to the Goldman Sachs Philanthropy Fund. Once the account is established, the donor can then make grant recommendations.

### **Who is eligible to establish an account with the Goldman Sachs Philanthropy Fund?**

Eligibility is generally broad. Individuals, corporations, trusts, estates and other entity types are all eligible to open a Goldman Sachs Philanthropy Fund account.

### **Do you, the donor, retain any proprietary interest in what you give?**

Once a contribution has been made to, and accepted by, the Goldman Sachs Philanthropy Fund, it is irrevocable and non-refundable.

Contributions and all related future earnings are no longer the donor’s assets; they are the property of the Goldman Sachs Philanthropy Fund.

## Opening an Account

### **How much money is required to establish a Goldman Sachs Philanthropy Fund account?**

#### **What else has to be done?**

When you donate to the Goldman Sachs Philanthropy Fund, your contribution will be held in a named donor-advised account or placed in the Directors’ Philanthropy Fund. Initial gifts must be accompanied by a completed Donor Agreement. The minimum amount required to open a Goldman Sachs Philanthropy Fund account is \$25,000. After the initial funding of the account, you are not required to make subsequent contributions. (If you decide to make additional contributions to your account, the minimum additional contribution is \$5,000). The minimum amount required to open an individually managed account as described below (an “IMA”) is \$5 million. For more information about the IMA program, please contact your Goldman Sachs Private Wealth Management Team.

Part of the application process requires naming your account, which can be in your name as donor or, if you wish, in the name of a family member, friend or relative. When choosing a name for this account, please keep in mind that this will be the name that the Goldman Sachs Philanthropy Fund will include in its correspondence with grant recipients when making grants to charities from the account (unless you request anonymity).

### **What types of contributions does the Goldman Sachs Philanthropy Fund accept?**

The Goldman Sachs Philanthropy Fund accepts cash, publicly traded securities, and mutual fund shares. Subject to compliance with certain securities law restrictions, the Goldman Sachs Philanthropy Fund may accept contributions of restricted stock. Cash contributions must be in U.S. dollars and delivered by check or wire. The Goldman Sachs Philanthropy Fund will not accept contributions of currency or of certain cash-like monetary instruments, including cashier’s checks, treasurer’s checks, bank checks, bank drafts, traveler’s checks, postal money orders, or money orders. Checks should be delivered to: Goldman Sachs Philanthropy Fund, P.O. Box 15203, Albany, NY 12212-5203. For further details on how to contribute to the Goldman Sachs Philanthropy Fund, please contact your Goldman Sachs Private Wealth Management Team.

### **What happens once the Goldman Sachs Philanthropy Fund receives a Donor Agreement and contribution?**

Donor Agreements and contributions received from donors are reviewed by the Goldman Sachs Philanthropy Fund. If your Donor Agreement or contribution is not accepted, it will be returned to you as soon as possible. For accepted cash contributions, the Goldman Sachs Philanthropy Fund allocates the contribution to the applicable investment option (as described below).

In relation to any mutual fund shares purchased, the number of shares purchased will generally be determined using a net asset value on the market close on the business day in which your cash contribution is received by the Goldman Sachs Philanthropy Fund. For contributions such as donated securities and mutual fund shares, the Goldman Sachs Philanthropy Fund expects to sell the shares to generate cash. The Goldman Sachs Philanthropy

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<sup>\*</sup>As described in Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended.

Fund will not accept non-publicly traded securities and other securities for which no readily liquid market exists. Restricted securities may be accepted as long as the restrictions on the securities and contribution volume do not prevent an immediate sale following the gift. For example, if the restricted securities are subject to resale under Rule 144 of the Securities Act of 1933 and the securities are unregistered, you must wait until the applicable holding period has passed following the date of full payment in order for the securities to be accepted for contribution to the Goldman Sachs Philanthropy Fund. After the Goldman Sachs Philanthropy Fund has received the proceeds from the sale of your contribution, the proceeds (less any brokerage commissions and other fees) are invested in the applicable investment option.

You will receive a letter to acknowledge your contribution. The acknowledgement letter also includes a good faith estimate of the fair market value of the securities you contributed on the date the contribution is received by the Goldman Sachs Philanthropy Fund.

You should keep in mind that the initial value of your account will probably differ from the value of the allowed tax deduction. This occurs because securities contributed are likely to be sold at a price different from the fair market value at the time of the contribution and because sales proceeds will be reduced by commissions and other fees paid to sell the securities.

## **Tax Issues**

### **Do you receive a tax deduction?**

If you itemize your income tax deductions, you may be eligible for a deduction based upon the value of your gift on the day that your contribution is made to the Goldman Sachs Philanthropy Fund. Tax rules specify the effective date of such contribution as well as how gifts are to be valued and the deduction limits.

### **When is your charitable contribution deemed made for tax purposes?**

- In general, your charitable contribution is deemed made for tax purposes when the property you contribute is put beyond your dominion and control.
- The Goldman Sachs Philanthropy Fund will provide each donor with a contribution acknowledgement letter which will constitute the required contemporaneous written acknowledgement of the contribution for tax purposes. The contribution acknowledgement letter will include the amount of any cash and a description of any other property contributed to the Goldman Sachs Philanthropy Fund. It will also include the date the contribution was received by the Goldman Sachs Philanthropy Fund and a value on that date.
- You should, of course, consult your tax advisor about your own situation. In general, the timing and value of your contribution will be determined as follows:
  - Checks are deemed contributed when there is an unconditional delivery of the check; if by U.S. mail, delivery is accomplished when you mail your check.
  - Wire transfers are deemed contributed on the date the funds are transferred from your account and received by the Goldman Sachs Philanthropy Fund.
  - Marketable securities are deemed contributed depending on whether the securities are certificated or uncertificated:
    - Certificated Securities: are deemed contributed when the donor makes an unconditional delivery of properly endorsed certificates (if by mail, the date on which the securities are placed in the mail).
    - Uncertificated Securities: are deemed contributed on the date dominion and control has been transferred to the Goldman Sachs Philanthropy Fund. Note that a donor's instruction to his or her broker to make a transfer of uncertificated securities to the Goldman Sachs Philanthropy Fund does not necessarily make the contribution effective for tax purposes.
- For gifts of securities or mutual fund shares you have owned for more than one year, a deduction may be claimed for the fair market value of the securities on the date contributed. The fair market value of publicly traded securities for this purpose generally is the mean (average) of the highest and lowest quoted selling price on the date contributed. The fair market value of mutual fund shares is based on the mutual fund's closing price on the day of the contribution. The deduction for securities or mutual fund shares you have owned for one year or less is limited to your cost basis or the current market value (whichever is lower).

Special rules may apply to gifts of certain restricted securities. You should consult with your tax advisor before making any decisions, especially if your gift includes restricted securities.

#### **What if the valuation changes after the donation?**

The amount of your tax deduction generally is determined on the day your contribution is made to the Goldman Sachs Philanthropy Fund. Thereafter, any change in the value of your donated assets does not affect the value of your tax deduction. Any appreciation or income realized in your named account is the property of the Goldman Sachs Philanthropy Fund and is not available as a charitable deduction. Any increase or decrease in the value of your donor-advised account only affects the amounts which you may recommend as grants. For example, a \$50,000 deduction may be claimed for a \$50,000 cash contribution. You are not entitled to any additional deduction even if the donation grows over time.

#### **Are there any limitations to the tax deduction?**

Tax deductions for contributions made by individuals to public charities, including the Goldman Sachs Philanthropy Fund, are limited each year depending on the form of the gift. In general, the maximum charitable deduction you can take in a year is limited to 50% of your Adjusted Gross Income (AGI).<sup>1</sup>

The limits for most individual donors are summarized below:

Maximum percentage of AGI that can be deducted:

- Cash Gifts: 50%
- Securities/Property held more than one year:<sup>2</sup> 30%
- Contributions exceeding these limits may be carried forward for up to five years.

Please keep in mind that your ability to claim deductions may be subject to certain other limitations under the tax law. Limits include all gifts to charities during the year, not just your gifts to the Goldman Sachs Philanthropy Fund. Donors should consult a tax advisor to determine the deductibility of their gifts.

## **Investment Options**

#### **What are the investment options?**

You may recommend allocation of your Goldman Sachs Philanthropy Fund account to (1) certain mutual funds managed by Goldman Sachs Asset Management, L.P. ("GSAM"), a wholly-owned subsidiary of The Goldman Sachs Group, Inc. (the "Goldman Sachs Mutual Funds"), until such time as those assets are granted to other charities or (2) certain mutual funds managed by third-party investment advisors selected by GSAM (the "Non-Goldman Sachs Mutual Funds") until such time as those assets are granted to other charities. If you do not specify a particular mutual fund investment option, your contributions will be invested in the Goldman Sachs Financial Square Money Market Fund. You also may recommend changes to the allocation of your contribution among the investment options. Furthermore, a donor who maintains an IMA may recommend the investment option managed by the Goldman Sachs Trust Company, N.A. ("GSTC"). All investment recommendations are subject to the oversight and control of the Goldman Sachs Philanthropy Fund's Board of Directors.

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<sup>1</sup> Corporations may deduct up to 10% of their taxable income (with some adjustments) for gifts of cash or securities held for more than one year.

<sup>2</sup> Securities held for less than or up to one year are also deductible up to 50% of AGI but at their cost basis. Securities held for more than one year may be deductible at fair market value up to 30% of a taxpayer's AGI. You may elect to deduct the cost basis for appreciated securities that are donated, which would entitle you to claim deductions up to the same 50% of AGI limitation that applies to cash donations. However, if you make this election, your deduction for any other charitable contributions of appreciated property during the same tax year or carry-forward period must also be the cost basis.

## **What are the investment options within the Goldman Sachs Mutual Funds and the Non-Goldman Sachs Mutual Funds?**

You may recommend allocation of your Goldman Sachs Philanthropy Fund contribution to either Goldman Sachs Mutual Funds or to Non-Goldman Sachs Mutual Funds. Within the Goldman Sachs Mutual Funds, you may recommend allocation of your contribution to any combination of four mutual fund options. Within the Non-Goldman Sachs Mutual Funds, you may recommend an allocation of your contribution to any blend of three investment options comprised of a combination of Non-Goldman Sachs Mutual Funds. Each Non-Goldman Sachs Mutual Fund investment option is managed in keeping with specific investment objectives which are outlined in the following descriptions. Any dividends paid by the underlying mutual funds will be automatically reinvested in the mutual fund paying the dividend. If you do not specify a particular investment option, your contributions will be invested in the Goldman Sachs Financial Square Money Market Fund.

### **Goldman Sachs Mutual Funds**

- **Goldman Sachs Growth Strategy Portfolio**

Effective at the close of business on June 29, 2012, the Portfolio seeks to achieve its investment objective by investing in a combination of underlying funds that currently exist or that may become available for investment in the future for which GSAM or an affiliate now or in the future acts as investment adviser or principal underwriter (the "Underlying Funds"). Some of the Underlying Funds invest primarily in fixed income or money market instruments (the "Underlying Fixed Income Funds"), some of the Underlying Funds invest primarily in equity securities (the "Underlying Equity Funds"), and other Underlying Funds invest dynamically across equity, fixed income and commodity investments through a managed-volatility approach (the "Underlying Dynamic Funds"). Under normal conditions, the Portfolio seeks to achieve its investment objective by investing approximately 75% (which allocation could be increased by 25% or decreased by 30%) of its assets in Underlying Equity Funds, approximately 15% (which allocation could be increased by 5% or decreased by 15%) of its assets in the Underlying Dynamic Fund, and approximately 10% (which allocation could be increased by 30% or decreased by 10%) of its assets in the Underlying Fixed Income Funds. The allocation will be measured at the time of rebalance. Typically, the Portfolio is rebalanced at the end of every calendar quarter, but the Portfolio can be rebalanced intra-quarter at the discretion of GSAM. The Portfolio's investment in any of the Underlying Funds may exceed 25% of its assets. GSAM expects that the Portfolio will invest a relatively significant percentage of its equity allocation in the Goldman Sachs Structured Large Cap Growth, Goldman Sachs Structured Large Cap Value and Goldman Sachs Structured International Equity Funds, and all of its dynamic allocation to the Goldman Sachs Dynamic Allocation Fund.

- **Goldman Sachs Growth and Income Strategy Portfolio**

Effective at the close of business on June 29, 2012, the Portfolio seeks to achieve its investment objective by investing in a combination of underlying funds that currently exist or that may become available for investment in the future for which GSAM or an affiliate now or in the future acts as investment adviser or principal underwriter (the "Underlying Funds"). Some of the Underlying Funds invest primarily in fixed income or money market instruments (the "Underlying Fixed Income Funds"), some of the Underlying Funds invest primarily in equity securities (the "Underlying Equity Funds"), and other Underlying Funds invest dynamically across equity, fixed income and commodity investments through a managed-volatility approach (the "Underlying Dynamic Funds"). Under normal conditions, the Portfolio seeks to achieve its investment objective by investing approximately 55% (which allocation could be increased by 25% or decreased by 30%) of its assets in Underlying Equity Funds, approximately 15% (which allocation could be increased by 5% or decreased by 15%) of its assets in the Underlying Dynamic Fund, and approximately 30% (which allocation could be increased by 30% or decreased by 25%) of its assets in the Underlying Fixed Income Funds. The allocation will be measured at the time of rebalance. Typically, the Portfolio is rebalanced at the end of every calendar quarter, but the Portfolio can be rebalanced intra-quarter at the discretion of GSAM. The Portfolio's investment in any of the Underlying Funds may exceed 25% of its assets. GSAM expects that the Portfolio will invest a relatively significant percentage of its equity allocation in the Goldman Sachs Structured Large Cap Growth, Goldman Sachs Structured Large Cap Value and Goldman Sachs Structured International Equity Funds; a relatively significant percentage of its fixed income allocation in the Goldman Sachs Core Fixed Income and Goldman Sachs Global Income Funds; and all of its dynamic allocation to the Goldman Sachs Dynamic Allocation Fund.

- **Goldman Sachs Balanced Strategy Portfolio**

- Effective at the close of business on June 29, 2012, the Portfolio seeks to achieve its investment objective by investing in a combination of underlying funds that currently exist or that may become available for investment in the future for which GSAM or an affiliate now or in the future acts as investment adviser or principal underwriter (the "Underlying Funds"). Some of the Underlying Funds invest primarily in fixed income or money market instruments (the "Underlying Fixed Income Funds"), some of the Underlying Funds invest primarily in equity securities (the "Underlying Equity Funds"), and other Underlying Funds invest dynamically

across equity, fixed income and commodity investments through a managed-volatility approach (the “Underlying Dynamic Funds”). Under normal conditions, the Portfolio seeks to achieve its investment objective by investing approximately 50% (which allocation could be increased by 30% or decreased by 25%) of its assets in Underlying Fixed Income Funds, approximately 15% (which allocation could be increased by 5% or decreased by 15%) of its assets in the Underlying Dynamic Fund, and approximately 35% (which allocation could be increased by 25% or decreased by 30%) of its assets in Underlying Equity Funds. The allocation will be measured at the time of rebalance. Typically, the Portfolio is rebalanced at the end of every calendar quarter, but the Portfolio can be rebalanced intra-quarter at the discretion of GSAM. The Portfolio’s investment in any of the Underlying Funds may exceed 25% of its assets. The Portfolio expects to invest a relatively significant percentage of its fixed income allocation in the Goldman Sachs Global Income and Core Fixed Income Funds; a relatively significant percentage of its equity allocation in the Goldman Sachs Structured Large Cap Growth, Goldman Sachs Structured Large Cap Value and Goldman Sachs Structured International Equity Funds; and all of its dynamic allocation in the Goldman Sachs Dynamic Allocation Fund.

- **Goldman Sachs Financial Square Money Market Fund**

The Fund pursues its investment objective by investing in obligations issued or guaranteed by U.S. government agencies, authorities, instrumentalities or sponsored enterprises (“U.S. Government Securities”), obligations of banks (which must normally exceed 25% of its total assets), commercial paper and other short-term obligations of U.S. companies, states, municipalities and other entities and repurchase agreements. The Fund may also invest in U.S. dollar denominated obligations of foreign banks, foreign companies and foreign governments. The Fund may not invest more than 25% of its total assets in the securities of any one foreign government.

#### **Non-Goldman Sachs Mutual Funds**

- **Capital Appreciation - Higher Risk Investment Objective**

This Investment Objective consists of approximately 30% fixed income, 65% equities, and 5% real estate. This Investment Objective emphasizes long-term capital appreciation as a primary source of return. Current income is a supplementary source of gain. This approach recognizes that the assets are exposed to risk and may be subject to significant fluctuations in market value from year-to-year.

- **Capital Appreciation - Moderate Risk Investment Objective**

This Investment Objective consists of approximately 50% fixed income, 45% equities, and 5% real estate. This Investment Objective seeks to achieve a positive rate of return over the long-term that could support on-going cash flow requirements. This approach recognizes that the assets are exposed to risk and the market value of the assets may fluctuate from year-to-year.

- **Income with Capital Appreciation Investment Objective**

This Investment Objective consists of approximately 65% fixed income, 30% equities, and 5% real estate. This Investment Objective emphasizes a stable and substantial source of current income and some capital appreciation over the long-term. This approach implies a willingness to risk some declines in value over the short-term, so long as the assets are positioned to generate current income and exhibit some capital appreciation.

#### **What is the IMA option?**

A donor who maintains a donor advised fund account balance of \$5 million or more may recommend allocation of the donor’s contribution to an IMA with a conservative, moderate or aggressive investment objective. Each IMA is managed by GSTC in accordance with such investment objective. At the discretion of GSTC, assets within the IMA option will be allocated to funds and accounts managed by GSAM and third-party investment advisors in accordance with the recommended investment objective.

The investment objectives which you may recommend are described generally below. Please contact your Goldman Sachs Private Wealth Management Team for more information about the IMA option, including with respect to the investment objectives and the underlying investment funds and accounts.

- **Capital Appreciation - Higher Risk Investment Objective**

This Investment Objective emphasizes long-term capital appreciation as a primary source of return. Current income is a supplementary source of gains. It recognizes that the assets are exposed to risk and may be subject to significant fluctuations in market value from year to year. This volatile performance is acceptable, so long as the assets are invested primarily for capital appreciation over the long-term. It targets to earn long-term returns sufficient to increase the purchasing power of assets over the long-term, net of investment and administrative expenses. It implies a long-term time horizon available for investment in order to benefit



from a total return that would normally accrue to a patient investor. Diversification of the investments may reduce the risk of wide swings in market value from year to year, or of incurring large losses.

- **Capital Appreciation - Moderate Risk Investment Objective**

This Investment Objective takes a balanced approach expected to achieve a positive rate of return over the long-term that could support on-going cash flow requirements. It recognizes that the assets are exposed to risk and the market value of the fund may fluctuate from year to year. This moderately volatile performance is acceptable, as long as the assets are invested primarily for capital appreciation over the long-term. It targets to earn returns sufficient to equal or exceed the rate of inflation over the long-term, net of investment and administrative expenses. It implies a mid to long-term time horizon available for investment in order to benefit from a total return that would normally accrue to a patient investor. Diversification of investments may reduce the risk of wide swings in market value from year to year, or of incurring large losses that may result from concentrated positions.

- **Income with Capital Appreciation Investment Objective**

This Investment Objective is a risk-averse approach that emphasizes a stable and substantial source of current income and some capital appreciation over the long-term. It implies a willingness to risk some declines in value over the short-term, so long as the assets are positioned to generate current income and exhibit some capital appreciation. It targets to earn long-term returns sufficient to keep pace with the rate of inflation over most market cycles (net of investment and administrative expenses), but may lag inflation in some environments. Diversification of investments may provide opportunities for long-term growth while reducing the potential for large losses that could occur from holding concentrated positions. This Investment Objective implies a short-to intermediate-term time horizon available for investment.

## **The Grant Process**

### **What are the rules concerning grantmaking recommendations for a Donor?**

Even though your contribution to the Goldman Sachs Philanthropy Fund is irrevocable, you may have an advisory role in the administration of the donated assets and may recommend grant allocations from your donor-advised account to qualified charitable organizations. All grant recommendations must include the name of the proposed charity, the dollar amount of the proposed grant and, in the event that the account is allocated to more than one investment, the specific investment from which the grant should be made. (If no investment liquidation option is recommended, the Goldman Sachs Philanthropy Fund will withdraw funds pro rata from the investments.) Raising liquidity to fund grants from the IMA program will be undertaken by GSTC in accordance with the recommended investment objective.

The Goldman Sachs Philanthropy Fund must review and approve all grant recommendations. In making grant recommendations, please keep the following in mind:

Grants can only be made to (i) nonprofit public charities that qualify as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the "Code") or (ii) governmental entities described in Section 170(c)(1) of the Code, to be used exclusively for public purposes. Grants cannot be made to private non-operating foundations.

- Grants cannot fulfill pledges you have already made to a charity.
- Grants are not permitted if they would benefit you or any specific individual, such as requests to pay for memberships or tickets to galleries, museums, and public broadcasting stations; goods at a charitable auction; school tuition; or benefit dinners. This also applies to grants for which any portion of the grant would offer a private benefit (a "bifurcated payment"), such as where a portion of a grant is not tax-deductible because it is used to purchase a table at an event.
- Grants cannot be made for lobbying purposes, to support political campaigns, or to foreign organizations.
- Grants can be on behalf of overseas causes, provided the recipient is a U.S. charitable organization supporting these efforts (i.e., UNICEF or UNITED WAY INTERNATIONAL).

### **Is there a recommended minimum grant amount?**

The Goldman Sachs Philanthropy Fund requires that grant recommendations be made in the amount of \$250 or more and in increments of \$50. The recommended grant amount must not be greater than the value of your account.

**How often are grant recommendations reviewed?**

Grants are reviewed each business day and are funded as soon as possible, typically within ten business days.

**How are grants funded, and will you receive some type of confirmation?**

Upon approval of a grant recommendation, the Goldman Sachs Philanthropy Fund will liquidate the appropriate amount from your account and will send the proceeds to the recommended organization in the form of a check. An accompanying letter will acknowledge you as the donor who recommended the grant (unless you request anonymity). You will be mailed a written confirmation of the grant.

**Is there a minimum amount of grant activity required?**

The Goldman Sachs Philanthropy Fund promotes philanthropy by seeking charitable contributions that can be used to support qualified organizations. The Goldman Sachs Philanthropy Fund expects that in the aggregate its grant distributions will exceed 5% of its average net assets on a fiscal five-year rolling basis. If this level of grant activity is not attained, the Goldman Sachs Philanthropy Fund will identify donor accounts from which grants over the same five-year period totaled less than 5% of such account's average assets. The Goldman Sachs Philanthropy Fund will then contact donors for such accounts to request that they recommend grants of at least this amount. If a donor does not provide qualified grant recommendations within 60 days of such a request, the Goldman Sachs Philanthropy Fund reserves the right to transfer up to 5% of assets from the donor's named account to the Directors' Philanthropy Fund, which may have philanthropic objectives that are not necessarily consistent with the donor's.

**Are there a maximum number of grants that can be considered within a given time?**

The Goldman Sachs Philanthropy Fund permits an unlimited number of grants (of at least \$250 each and in increments of \$50) from an account during each fiscal year.

**Succession****What happens once a donor passes away or a trust or other entity that establishes an account ceases to exist?**

In either case, you can designate a successor to administer grant recommendations or recommend a charitable organization to receive a grant from the account. This designation can be made with the first contribution when your account is established (or any time thereafter). If no successor is named, the Goldman Sachs Philanthropy Fund will close your named account and reallocate the remaining units in your account to the Directors' Philanthropy Fund.

**What about joint donor accounts?**

If one donor to a joint account passes away, the remaining donor retains all rights to recommend grants and to name successors. The successor must provide the Goldman Sachs Philanthropy Fund with written notification of the donor's death.

**Can you recommend a charity as the account's beneficiary?**

You may choose to recommend one or more charitable organizations (up to four) as the beneficiary of your account, subject to the review and approval of the Goldman Sachs Philanthropy Fund. Once the Goldman Sachs Philanthropy Fund has received written confirmation of your death, the Goldman Sachs Philanthropy Fund will re-review your recommended charity and, if approval is given, your recommended organization(s) will receive the proceeds of the account.

**Fees and Expenses****What kinds of fees and expenses are associated with the Goldman Sachs Philanthropy Fund?**

The balance in each sub-account is reduced by the following expenses incurred by the Goldman Sachs Philanthropy Fund:

- **GSPF Administration fee:**

Each account is subject to an administrative fee calculated based on the net asset value of the assets held in the account pursuant to the following schedule:

Average Monthly Account Balance	Annual Fee (Basis Points)
Up To \$500,000	60 bps
\$500,000 - \$1 Million	30 bps
\$1 - \$2.5 Million	20 bps
\$2.5 - \$10 Million	10 bps
Above \$10 Million	5 bps

The administrative fee is charged to the account in arrears on the last day of each calendar quarter. Grants of the entire balance of your account will be subject to a pro-rated administrative fee. The Goldman Sachs Philanthropy Fund reserves the right to modify the administrative fee schedule at its discretion.

- **Brokerage commissions:**

Brokerage commissions are charged to your account when securities contributed by you are sold by the Goldman Sachs Philanthropy Fund. Standard institutional brokerage fees will apply and may vary depending on the type of securities and any special handling required, such as restricted stock.

For further details, please contact your Goldman Sachs Private Wealth Management Team.

- **Expenses of the Underlying Mutual Funds:**

In addition to the GSPF administration fees and brokerage commissions listed above, each of the mutual fund investment options are subject to their own varying operation and management fees:

- Goldman Sachs Mutual Funds

- Total expenses of the Goldman Sachs Growth Strategy Portfolio (exclusive of GSPF administration fees and brokerage commissions listed above) are expected to be approximately 0.95% per year;
- Total expenses of the Goldman Sachs Growth and Income Strategy Portfolio (exclusive of GSPF administration fees and brokerage commissions listed above) are expected to be approximately 0.94% per year;
- Total expenses of the Goldman Sachs Balanced Strategy Portfolio (exclusive of GSPF administration fees and brokerage commissions listed above) are expected to be approximately 0.89% per year;
- Total expenses of the Goldman Sachs Financial Square Money Market Fund (exclusive of GSPF administration fees and brokerage commissions listed above) are expected to be approximately 0.18% per year.

\*Investment expenses impact the daily net asset value of the mutual funds and are not charged separately. No up-front sales loads are charged on the investments in the mutual funds.

- Non-Goldman Sachs Mutual Funds

- Total expenses for the Capital Appreciation - Higher Risk Investment Objective, inclusive of advisory fees charged by GSAM and management fees charged by the underlying managers (but exclusive of GSPF administration fees and brokerage commissions listed above), are targeted to be 1.31% and expected to remain within the range of 1.10% to 1.57% per year;
- Total expenses for the Capital Appreciation - Moderate Risk Investment Objective, inclusive of advisory fees charged by GSAM and management fees charged by the underlying managers (but exclusive of GSPF administration fees and brokerage commissions listed above), are targeted to be 1.21% and expected to remain within the range of 1.03% to 1.48% per year;
- Total expenses for the Income with Capital Appreciation Investment Objective, inclusive of advisory fees charged by GSAM and management fees charged by the underlying managers (but exclusive of GSPF administration fees and brokerage commissions listed above), are targeted to be 1.12% and expected to remain within the range of 0.97% to 1.41% per year.

\*Investment expenses impact the daily net asset value of the mutual funds and are not charged separately. No up-front sales loads are charged on the investments in the mutual funds.

- **Expenses of the IMA Program:**

In addition to the GSPF administration fees and brokerage commissions listed above, fees for the IMA program consist of:

- GSTC fee;

- Brokerage commissions for any underlying securities bought and sold by GSTC for the IMA program account, as applicable (in addition to brokerage commissions generated in connection with the Goldman Sachs Philanthropy Fund's sale of contributed securities, as described above); and
- Investment management fee for underlying managers and mutual funds\*

#### Range of fees

Capital Appreciation - Higher Risk Investment Objective	1.24% – 1.41%
Capital Appreciation - Moderate Risk Investment Objective	1.10% – 1.26%
Income with Capital Appreciation Investment Objective	0.98% – 1.15%

\*Estimate based on fees in effect as of 12.1.11. Exclusive of GSPF administration fee and brokerage commissions.

Note: Fees and expenses associated with each account (administration fees, brokerage commissions, underlying mutual fund fees, and IMA program fees, as applicable) are charged to your account and reduce the balance in the account. This includes any tax or other obligations incurred by the Fund as a result of investments held in your account.

## Important Information

### What online services and/or capabilities are currently available?

All donors have access to the Goldman Sachs Philanthropy Fund donor web, which allows donors to:

- Recommend grants
- View real-time account balances and associated investment option holdings
- View transaction (grant, contribution, fees, etc.) histories as well as current, real-time statuses of pending transactions
- Maintain a list of the donor's primary charities of interest and charities to which the donor frequently recommends grants
- Configure periodic and recurring grants

### What reporting can you expect and what are your record-keeping responsibilities?

The Goldman Sachs Philanthropy Fund will send you an acknowledgement for any contributions you make to the Philanthropy Fund. Typically these acknowledgement letters will be provided within five to ten business days of the receipt of a contribution. You should keep the acknowledgement letters with your tax records.

For any contributions of publicly traded securities, the acknowledgement letter will include the Goldman Sachs Philanthropy Fund's good faith estimate of the fair market value of the securities on the date the contribution is received. The amount on your acknowledgement letter may differ from the amount you can deduct for income tax purposes. You should consult your tax advisor regarding the tax considerations, including valuation, of your charitable contributions.

Additionally, the Goldman Sachs Philanthropy Fund will send you a letter to confirm any grants that are made out of your account. Typically these will be provided within five to ten business days after a grant has been made. You will also receive quarterly statements showing all transactions in the account.

### Who are the service providers to the Goldman Sachs Philanthropy Fund?

The Goldman Sachs Philanthropy Fund has contracted with The Ayco Company, L.P. ("Ayco"), a wholly-owned subsidiary of The Goldman Sachs Group, Inc., to provide administrative services. Under the contract, Ayco provides many day-to-day services for the Goldman Sachs Philanthropy Fund including record maintenance, statement generation and mailing, account creation, donor contribution processing, grant and disbursement processing, management reports, as well as technical and operational support to donors.

The Goldman Sachs Philanthropy Fund has contracted with GSAM to act as the Goldman Sachs Philanthropy Fund's investment manager and to provide certain additional administrative services. GSAM manages the Goldman

Sachs Mutual Funds and selects and oversees the third-party investment managers that manage the Non-Goldman Sachs Mutual Funds.

The Fund has contracted with GSTC to be responsible for the development and implementation of the IMA program. GSTC is a limited purpose national bank that provides personal trust and estate administration services to Goldman Sachs' high net worth clients throughout the United States. GSTC is headquartered in Wilmington, Delaware and maintains a trust office at 200 West Street in New York City and representative trust offices in Atlanta, Georgia, Chicago, Illinois and San Francisco, California. GSTC's subsidiary, The Goldman Sachs Trust Company of Delaware, is headquartered in Wilmington, Delaware and offers clients the advantages of Delaware trust situs. Our core fiduciary team consists of former attorneys and other professionals with significant trust, investment and private client experience.

## **Other Information**

### **Conflict of terms**

In the event of any inconsistency between this Program Circular and the Goldman Sachs Philanthropy Fund's Certificate of Incorporation, By-Laws, or Investment Policy Statement, the Certificate of Incorporation, By-Laws, or Investment Policy Statement will control.

**For any additional information about the Goldman Sachs Philanthropy Fund, please contact your Goldman Sachs Private Wealth Management Team.**

Neither the Goldman Sachs Philanthropy Fund nor its agents provide tax advice to donors. Clients and donors are strongly encouraged to consult with a tax advisor regarding any potential strategy or investment.

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Goldman Sachs does not provide legal, tax or accounting advice. Any statement contained in this communication (including any attachments) concerning U.S. tax matters is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties imposed on the relevant taxpayer. Clients of Goldman Sachs should obtain their own independent tax advice based on their particular circumstances.

#### State Disclosures

Information regarding Goldman Sachs Philanthropy Fund's purposes and a copy of its most recent IRS Form 990 may be obtained, without cost, by writing to Goldman Sachs Philanthropy Fund, c/o The Ayco Company, L.P., P.O. Box 15203, Albany, NY 12212-5203, or by calling (212) 902-6230. Certain states in which the Goldman Sachs Philanthropy Fund is registered to solicit charitable contributions require us to advise you that a copy of our registration and financial information also is available from those states. If you are a resident of the following states, you may obtain information as follows: FLORIDA: A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE WITHIN THE STATE 1-800-435-7352. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE. Florida Registration #CH13247. KANSAS: The official registration and annual financial report of the Goldman Sachs Philanthropy Fund is filed with the Kansas Secretary of State. Kansas Registration #323-220-4. MARYLAND: Documents and information submitted under the Maryland Charitable Solicitations Act may be obtained, for the applicable cost of copies and postage, from the Maryland Secretary of State, State House, Annapolis, MD 21401, (410) 974-5534 or, within Maryland, 1-800-825-4510. MICHIGAN: charitable solicitation registration file number MICS #25867. MISSISSIPPI: The official registration and financial information of Goldman Sachs Philanthropy Fund may be obtained from the Mississippi Secretary of State's office by calling 1-888-236-6167. Registration by the Secretary of State does not imply endorsement by the Secretary of State. NEW JERSEY: INFORMATION FILED WITH THE ATTORNEY GENERAL CONCERNING THIS CHARITABLE SOLICITATION AND THE PERCENTAGE OF CONTRIBUTIONS RECEIVED BY THE CHARITY DURING THE LAST REPORTING PERIOD THAT WERE DEDICATED TO THE CHARITABLE PURPOSE MAY BE OBTAINED FROM THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY BY CALLING (973) 504-6215 AND IS AVAILABLE ON THE INTERNET AT <http://www.state.nj.us/lps/ca/charfrm.htm>. REGISTRATION WITH THE ATTORNEY GENERAL DOES NOT IMPLY ENDORSEMENT. NEW YORK: **A copy of Goldman Sachs Philanthropy Fund's latest annual report may be obtained, upon request, from the New York State Attorney General's Charities Bureau, Attn: FOIL Officer, 120 Broadway, New York, NY 10271.** NORTH CAROLINA: **Financial information about this organization and a copy of its license are available from the State Solicitation Licensing Branch at (919) 807-2214 or, within North Carolina, 1-888-830-4989. The license is not an endorsement by the State.** PENNSYLVANIA: The official registration and financial information of Goldman Sachs Philanthropy Fund may be obtained from the Pennsylvania Department of State by calling toll free, within Pennsylvania, 1 (800) 732-0999. Registration does not imply endorsement. VIRGINIA: A financial statement of the organization is available from the State Office of Consumer Affairs in the Department of Agriculture and Consumer Services, P.O. Box 1163, Richmond, VA 23218, (804) 786-1343 or, within Virginia, 1-800-552-9963, upon request. WASHINGTON: Goldman Sachs Philanthropy Fund is registered with the Washington Secretary of State. The registration statement required by the Charitable Solicitation Act is on file with the Washington Secretary of State. Financial disclosure information is available from the Secretary of State, Charities Division, P.O. Box 40234, Olympia, WA 98504 or, within Washington, call 1-800-332-4483. WEST VIRGINIA: West Virginia residents may obtain a summary of the registration and financial documents from the Secretary of State, State Capitol, Charleston, West Virginia, 25305. Registration does not imply endorsement.

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